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TO RUEHC/SECSTATE WASHDC 0486  
INFO RUEHWN/AMEMBASSY BRIDGETOWN 0522  
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SUBJECT: GRENADA WEEKLY ACTIVITY REPORT SEPTEMBER 14 - 20,2008

11. (U) Embassy Grenada's weekly report (GWAR) provides a little detail about events of interest that do not merit longer reporting at this time.

12. (U) Begin GWAR text:

1A. Private Sector Warns of Possible Labor Unrest

The Senator representing the private sector in the upper house of Parliament warned the GOG to brace itself for industrial unrest as a result of the rising cost of living. The Senator appealed to the government to act now if it wants to ward off confrontation on the labor front, calling for national dialogue on wages, prices, and productivity. The government responded that it has already started the process of reviving a tripartite committee involving the government, the private sector and the trade unions. Over 50% of Grenada's workforce is unionized.

1B. Industrial action affects SGU

Industrial action by some 300 workers has affected the security, transportation and maintenance at St. George's University (SGU) following a breakdown in salary negotiations. Talks collapsed after the Technical and Allied Workers Union (TAWU) refused to apologize for the contents of a pamphlet being circulated on the campus depicting, in caricature, alleged statements from the university's management and the response of workers. The union has denied any knowledge of the pamphlet. Both sides say they hope to meet with the Ministry of Labor to resolve the matter. SGU has nearly 5,000 students from 80 countries and employs over 500 Grenadians.

1C. Government revokes license of local bank

The Grenada government last week revoked the license of the troubled Capital Bank International (CBI) after seven months in receivership. A letter from Finance Minister Nazim Burke to CapBank's Chief Executive Officer (CEO) Finton DeBourg informed of the government's decision, charging that the institution had violated the Banking Act on a number of occasions, including not maintaining minimum capital of at least US\$1.9 million. The letter also stated that the bank breached the limit for large loans to a single borrower. The revocation of CapBank's license comes a few weeks after Director of Public Prosecutions Christopher Nelson dismissed criminal charges against the bank's CEO.

End text.

MCISAAC